Amend claim 1, 3 - 7, and 9 - 20, claims 2 and 8 having been previously canceled, and claim 19 has been identified as having allowable subject matter, as shown on the attached status of claims 1 - 20, where said status forms a part of this preliminary amendment.

REMARKS

All of the pending claims hereof have been amended in an earnest effort to bring out the essence of the invention, where the amendments are believed to be appropriate and do not introduce new matter to the application.

The only claim subjected to a 35 U.S.C. 112 rejection is claim 14. This has now been corrected by the deletion of the term "habital", and a return to the previous language "residential". It was not Applicant's intention to introduce 'new matter', but rather to clarify with a generic term. Notwithstanding, correction has been made. This leaves only substantive matters.

All of the rejected claims stand rejected over the patent to Faulk (USP No. 5,568,825) under the provisions of 35 U.S.C. 102 and 103, alone or in combination with secondary references.

Faulk, as set forth in the Abstract, relates to a system for detecting leakage and unwanted flow in a fluid supply within a building capable of detecting small leaks and shutting off flow when a leak occurs. This is a system to maintain the integrity of the system for certainly water leaks can be very damaging to a structure. Contrary to the Examiner's assertions, this is not a system to monitor and control water flow and consumption. One system monitors water flow and consumption, while the other monitors leakage. They may well be two systems that can work in tandem, but they are not the same nor are they concerned with the same problems. All the pending claims of this invention now are clear as to the purpose hereof, namely, "a system for monitoring and controlling water flow and consumption in a water-based system, wherein said water flows through a conduit from a water supply to at least one component in which water flow is an operating condition of said at least one said component." Faulk does not teach a "system for monitoring and controlling water flow and consumption". At best, Faulk teaches a system that monitors leaks and reacts to shut off the system when a leak is detected.

It is submitted that Faulk does not even remotely teach nor suggest the system of the present invention, and that the remaining secondary patents can not fill the voids left by Faulk. An allowance of claims 1, 3 - 7, 9 - 18 and 20 are believed to be in order, and such action is requested. To the extent that further discussing may be required, Applicant looks forward to the conference on November 13th.

Respectfully submitted,
Applicant

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Encl: Status of claims 1 -20